

What's going to be in Your Wallet?

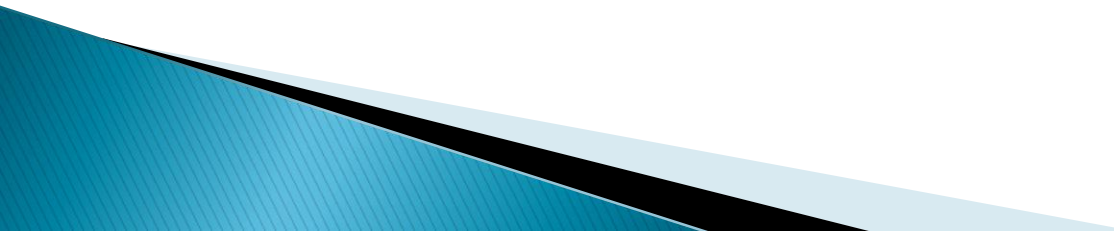
One Card?

A smart card?

A Smart Phone?

WIC and Our Technology Future

One Card


- ▶ As State agencies plan, we get lots of questions on issuing a single card that can access SNAP, WIC and cash benefits
 - ▶ In 2009, Alaska was awarded a grant to explore the feasibility
 - ▶ May 2011 FNS published “EBT One Card Concept – Technical Considerations”
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Smart Cards

- ▶ VISA announced this year that they will push to implement EMV Chip N PIN adoption in the US payments system
 - US is the last major market using magnetic stripe cards
 - Potential reduced fraud
 - Retail merchant incentives & liability shifts to convert their card readers to EMV capable
 - Other networks – Mastercard, Discover, AMEX appear to be poised to do the same

Smart Cards

Facts about EMV

- ▶ It can be online or offline
 - ▶ WIC offline smart card processing \neq EMV processing
 - ▶ Enhancements to PIN security not used by WIC smart cards today
 - ▶ Rollout takes time -- lots of it.
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Smart Cards

Will magnetic stripe cards become like dial telephones?

- Maybe
- Conversions in Canada & United Kingdom took longer than initially planned
- 1 billion debit & credit cards in US*
- 10 million retail card readers

▶ *Source: Smart Card Association



Smart Cards

- ▶ What should WIC agencies be doing?
 - Will this require recertification of card readers?
 - What about migration to cards that read/write from a purse?
 - Start talking to your retail vendors on their plans
 - This will require a harder look after 2015
 - Will card costs come down?
 - Can you continue with either technology?
 - What about contactless?
- ▶ FNS expects to follow industry lead. We don't see WIC paying for EMV upgrades.

Smart Phones

- ▶ By 2015, over half the cell phones sold in the US will be smart phones
- ▶ Demographics actually favor WIC participants
 - Lower income users switch to internet accessible phones and replace their land line at home
- ▶ Mobile payments are here – retailers are trying to figure out what and how
 - Cost is a concern
 - Variety of options – which do you support?

Smart Phones

Other applications for WIC?

- ▶ Texting – schedule updates, reminders or receipt information from WIC Purchases
 - That's happened with the iPhone farmers market implementation already
- ▶ Nutritional information
 - Imagine linking in store to a database of nutritional content specific to WIC products